

**REMARKS**

Claims 1-19 and 21 are currently pending in this application. Claims 22 and 23 have been withdrawn. Reconsideration is respectfully requested in light of the following remarks.

In the most recent Office action, dated January 08, 2007, the Examiner rejected claims 1, 2, 5, 6, 9, 12, and 19 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent 5,925,073 to Chastain et al. and claims 4, 11, 14 and 18 under 35 U.S.C. § 102(e) as anticipated by or in the alternative under 35 U.S.C. § 103(a) as obvious over Chastain et al. The Examiner further rejected claims 1, 2, 5, 6, 9, 12, 19 and 21 under 35 U.S.C. §103(a) as being unpatentable over Chastain in view of U.S. Patent Number 6,430,449 to Hsu et al. The Examiner rejected claims 4, 11, 14 and 18 under 35 U.S.C. § 103(a) as obvious over Chastain et al. or in the alternative as obvious over Chastain et al. in view of Hsu et al. and claims 3, 7, 8 and 14-17 as obvious over Chastain et al.

On August 26, 2004 Applicants submitted a rule 1.131 declaration from each of the co-inventors of the subject matter claimed in the present application swearing behind Hsu et al. and effectively Chastain et al. In addition, in an amendment filed June 5, 2006 Applicants submitted the billing records of Applicants' patent firm Knobbe Martens, Olson & Bear, LLP, (hereinafter KMOB) to further demonstrates Applicants diligence during the critical period in reducing the present application to practice. Included in the billing records were the specific billing records for the attorney, Mark M. Abumeri of KMOB who prepared the application that became the grandparent patent application, serial number 09/196,898, (hereinafter "the '898 application) which is identified as KMOB ref. no. Paceset 064A in the submitted billing records.

The Examiner refused to consider the billing records for diligence because the records were not part of a declaration with a statement by the declarant that warned that willful false statements and the like are punishable by fine or imprisonment and may jeopardize the validity of the application or any patent issuing therefrom. Applicants submit herewith a declaration under 37 C.F.R. 1.132 by Estella Pineiro attesting to the procedures which were used to process billing records received by Applicants legal department and that the billing records submitted therewith are true and correct copies of the original records from Applicants' attorney KMOB. Applicants therefore request

that the billing records be entered as part of the record and considered for proof of diligence.

As required by MPEP §715.07, the rule 1.131 declarations and accompanying exhibits and the submitted billing records establish conception of the claimed invention prior to the effective date of the cited references as well as reasonable diligence from prior to the effective date of the cited references to constructive reduction to practice of the present invention (i.e. the filing of the '898 application).

In Office actions, mailed April 8, 2005 and July 31, 2006 the Examiner held that the declarations filed under 37 CFR 1.131 were ineffective to overcome the cited references. Specifically, the Examiner alleged that there were various periods between exhibits where diligence was not shown. For example, the Examiner notes that between Exhibits C and D of the August declarations, a period of one year elapsed. The Examiner further submits that no diligence is shown for the three and half month period between the time when Applicants received a first draft of the application (Exhibit D, dated July 1, 1998) and a revised draft (Exhibit E, dated October 23, 1998) and for the period of approximately one month after receipt of the revised draft until the application was filed. Applicants disagree

Applicants submit that according to MPEP §715.07(a) and 37 CFR 1.131 the critical period in which diligence must be shown begins just prior to the earliest effective date of the cited references (i.e. Feb. 22, 1998, the day before the filing date of Chastain et al. and March 18, 1998 for Hsu et al.) and ends with the date of a reduction to practice, either actual or constructive, (i.e. the filing of the '898 application on November 20, 1998). Therefore, the one year period between Exhibit C (dated June 27, 1997) and Exhibit D (dated July 1, 1998) is immaterial as to whether Applicants were diligent in reducing the invention to practice for purposes of overcoming the cited references. Rather, Applicants are simply required to demonstrate diligence during the critical period between Feb. 22, 1998, the day before the filing date of Chastain et al. and November 20, 1998 the filing date of the '898 application.

Further, according to MPEP §2138.06 reasonable diligence is all that is required of an attorney when preparing an application for filing and that diligence is established if the attorney worked reasonably hard on the application during the critical period. In

addition, courts have recognized that it may not be possible for a patent attorney to begin working on an application at the moment the inventor makes the disclosure, because the attorney may already have a backlog of other cases demanding his attention. The courts have further recognized that it is sufficient if an attorney has a reasonable back log of cases which he takes up in chronological order and carries out expeditiously. *Bey v. Kollonitsch*, 806 F.2d 1024, 231 USPQ 967 (Fed. Cir. 1986).

As argued on pages 7 and 8 of the Amendment filed June 5, 2006, the submitted billing records demonstrate that during the months of January 1998 through April, 1998 (prior to the effective date of Chastain et al. and Hsu et al), KMOB attorneys worked on a large number of earlier Pacesetter patent applications according to the chronological order in which they were received. The submitted billing records also demonstrate that Mr. Abumeri began work on the '898 application (PaceSet 064A) when he became available on May 7, 1998 and continued to work on the application until a final draft was sent to Pacesetter on October 23, 1998.

Thus, prior to the effective date of the cited references, KMOB lawyers diligently worked on numerous earlier Pacesetter inventions before beginning work on the '898 application which is clearly sufficient to demonstrate reasonable diligence prior to the effective date of Chastain et al. and Hsu et al. In addition, KMOB lawyers continued to work on a large number of additional Pacesetter applications in parallel with the development of the '898 application during the critical period as demonstrated in the submitted billing records and argued on page 8 of the June 5, 2006 amendment.

The submitted billing records further demonstrate that Mr. Abumeri billed in excess of 160 hours in preparing the '898 application over an extended period of time, demonstrating the complexity and importance of this application. In addition, the billing records demonstrate that during the period between Exhibits D and E cited by the Examiner, Mr. Abumeri billed 90 plus hours preparing the revised draft of the '898 application while working on the application part of at least 27 different days. Applicants therefore respectfully submit that Mr. Abumeri worked reasonably hard and was reasonably diligent as required by law in preparing the revised draft of the '898 application during the period between Exhibits D and E.

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In addition, the declaration of Estella Pineiro further attests to the accuracy of a letter from Pacesetter, Inc. (doing business as St. Jude Medical, CRMD) to Mr. Abumeri dated November 10, 1998 (see Exhibit B of Pineiro declaration) requesting minor revisions to the formal drawings for the revised draft of the '898 application which resulted from the inventors review of the application which was received from Mr. Abumeri on October 23, 1998 (i.e. Exhibit E of the rule 1.131 declarations).

The Pineiro declaration further submits a true and correct copy of a letter from Mr. Abumeri to Pacesetter, Inc. dated November 19, 1998 wherein Mr. Abumeri provided the revised drawings which together with the revised application, were filed with the USPTO on November 20, 1998. Applicants therefore submit that reasonable diligence has therefore been demonstrated during the period between the receipt of the revised application and the filing of the '898 application (i.e. between Exhibit E and the filing date).

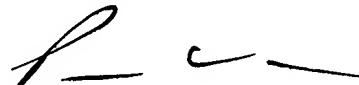
Applicants therefore submit that Applicants and their attorneys, as required by law, worked reasonably hard and were reasonably diligent in working on the application that became the '898 application during the critical period. Applicants therefore submit that Chastain et al. and Hsu et al. are not prior art with respect to the claims of the subject application and that the rejections based on Chastain et al and Hsu et al. are moot. Accordingly, Applicants respectfully submit that claims 1-19 and 21 are allowable.

In view of the foregoing, it is respectfully submitted that all of the pending claims patentably distinguish over the cited references, and a Notice of Allowance is earnestly solicited.

Respectfully submitted,

4-5-07

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Date



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Enclosures: Exhibits A, B and C

**CUSTOMER NUMBER: 36802**